



DMHMRSAS OFFICE OF SUBSTANCE ABUSE SERVICES
GUIDANCE BULLETIN NO. 2007-03
ISSUE DATE: JULY 26, 2007

TITLE: SUBSTANCE ABUSE RESIDENTIAL PURCHASE OF SERVICES (SARPOS)



ADVISORY (BEST PRACTICES)

MANDATE (REQUIREMENT)

RECIPIENTS:

- Community Services Boards (CSBs) and Behavioral Health Authorities (BHAs) – Executive Directors
- Community Services Boards (CSBs) and Behavioral Health Authorities (BHAs) – Substance Abuse Directors
- CSB SARPOS Coordinators/Contacts
- CSB Finance Officers

PURPOSE:

1. To inform CSBs of the availability of additional Substance Abuse Residential Purchase of Services funds and to provide information on how the money may be spent.
2. To inform CSBs of the expansion of taxonomy covered by SARPOS funds.
3. To inform CSBs of the new 3rd quarter accounting requirements and the possibility of reallocation of unspent funds.
4. To provide CSBs with information on how to select and contract with vendors for utilization of SARPOS funds.

BACKGROUND: The Department of Mental Health, Mental Retardation and Substance Abuse Services recognizes the prevalence of addiction and the need for intensive residential services to promote the stabilization and recovery of individuals suffering from addiction. For approximately twenty years the Department has funded residential treatment through dedicated Substance Abuse Residential Purchase of Services (SARPOS) funding. Over the last fifteen years the level of SARPOS funding has remained relatively static. During the annual Profile visits from the Office of Substance Abuse Services' Program Monitoring and Oversight Unit, CSBs have documented the need to expand these services. Previous allotments have typically been expended prior to the end of the fiscal year.

During the 2007 General Assembly, the Department received \$2.4 million in additions funds to expand substance abuse services in the community. Because of the documented need for residential services and ongoing requests from CSBs for additional SARPOS funds, \$1.65

million of new State General Funds have been dedicated to the expansion of these services and will be added to the existing CSB SARPOS allotment.

Please note that in addition to the services historically funded by SARPOS, transitional living programs and other residential services that lead toward recovery (See Appendix A) have been added as covered services.

POLICY:

The following requirements will assist CSBs in utilizing SARPOS funds:

1. The Department reserves the rights to recover unexpended SARPOS funds and reallocate those funds to Boards that have documented the need for additional substance abuse residential purchase of services funds.
2. Boards are required to report SARPOS year-to-date expenditures at the beginning of the 3rd Quarter, to provide DMHMRSAS with adequate time to reallocate unspent monies.
3. If unlicensed, programs must “meet the intent” of providing services that lead toward recovery.
4. All vendors must uphold all Federal and State laws and regulations concerning confidentiality and human rights.
5. SARPOS funds may be used for up to seven days of community-based substance abuse social detoxification services, up to thirty days of intensive residential services and up to forty-five days of supervised or supportive residential services. Exception or extension of these limits must be approved by the Department in writing, prior to the end of a consumer’s original length of stay.
6. Boards must be able to document that they have attempted to negotiate the best value when using outside vendors.
7. Boards should have written policies and procedures, including criteria to determine levels of care related to the use of SARPOS funds.
8. Boards should recognize that there are other funds available for certain residential services (e.g., Transformation funds for crisis stabilization).
9. Funds may be designated for intensive residential services, community-based substance abuse detoxification services, and supervised and supportive residential services (if combined with Board-directed case management). SARPOS monies should not be substituted for other funds currently dedicated to these purposes.

In February of 2005, the Department provided Center for Substance Abuse Treatment (CSAT) funded training to CSB/BHAs and vendors to assist them in applying contracting methods that support cost effective and high-quality care. This training occurred in Central Office and eight training sites across the state.

To assist you in contract negotiations, recommendations from the training are included below. The recommended norms for negotiations and development of SARPOS contracts are that Boards and vendors should:

- Have goals and needs that are clearly defined;
- Approach negotiation in an open and honest manner;
- Stick to the facts of negotiation;
- Meet face to face, at least as a start, to develop a relationship;
- Make sure you're dealing with the decision maker;
- Put own interest on the table in clear manner;
- Try to remain flexible;
- Agree to disagree, when necessary;
- Resolve all disputes internally, using a principled approach;
- Maintain a record of the principles used to make decisions so that they can be applied to like situation; and
- Put consumer needs ahead of the status quo.

In addition, CSBs are encouraged to include principle-centered negotiation in establishing reasonable cost for residential services. These should include, but not be limited to, the following:

- Rates should increase when Boards reduce lengths of stay because the highest costs are for the days on the front end of treatment;
- Rates should increase when transaction costs (authorizations, billing, and reporting) increase;
- Bad debt from billing, authorization denials, or co-pays are expenses that should be considered in establishing rates;
- Volume discount arrangements are appropriate, but not below actual costs.

For additional information or questions regarding SARPOS, you may contact:
Janice Jordan, Human Services Program Specialist, Office of Substance Abuse Services
at

Janice.Jordan@co.dmhmrssas.virginia.gov or (804) 371-0742.

APPENDIX A

SARPOS COVERED SERVICES:

RESIDENTIAL SERVICES provide overnight care with an intensive treatment program in a setting other than a hospital or training center, overnight care with supervised living, or other supportive residential services.

- a. ***Intensive Residential Services*** provide **overnight care with treatment that is less intense than highly intensive residential services**. It includes the following services:
 - ***Primary Care*** offers Substance abuse rehabilitation services that normally last no more than 30 days. Services include intensive stabilization, daily group therapy and psycho education, consumer monitoring, case management, individual and family therapy, and discharge planning.
 - ***Intermediate Rehabilitation*** is a Substance abuse psychosocial therapeutic milieu with an expected length of stay up to 90 days. Services include supportive group therapy, psycho-education, consumer monitoring, case management, individual and family therapy, employment services, and community preparation services.
 - ***Long-Term Habilitation*** is a Substance abuse psychosocial therapeutic milieu with an expected length of stay of 90 or more days that provides a highly structured environment where residents, under staff supervision, are responsible for daily operations of the facility. Services include intensive daily group and individual therapy, family counseling, and psycho-education. Daily living skills and employment opportunities are integral components of the treatment program.
 - ***Group Homes or Halfway Houses*** are facilities that provide identified beds and 24 hour supervision for individuals who require training and assistance in basic daily living functions such as meal preparation, personal hygiene, transportation, recreation, laundry, and budgeting. The expected length of stay normally exceeds 30 days.
- b. ***Supervised Residential Services*** offer **overnight care with supervision and services**.
 - ***Supervised Apartments*** are directly operated or contracted, licensed or unlicensed, residential programs that place and provide services to individuals in apartments or other residential settings. The expected length of stay normally exceeds 30 days.
 - ***Domiciliary Care*** provides food, shelter, and assistance in routine daily living but not treatment or training in facilities of five or more beds. This is primarily a long-term setting with an expected length of stay exceeding 30 days. Domiciliary care is less intensive than a group home or supervised

apartment; an example would be a licensed assisted living facility (ALF) operated, funded, or contracted by a CSB.

- ***Emergency Shelter or Residential Respite*** programs provide identified beds, supported or controlled by a CSB, in a variety of settings reserved for short term stays, usually several days to no more than 21 consecutive days.
 - ***Sponsored Placements*** place people in residential settings and provide substantial amounts of financial, programmatic, or service support. Examples include individualized therapeutic homes, specialized foster care, family sponsor homes, and residential services contracts for specified individuals. The focus is on individual consumer residential placements with expected lengths of stay exceeding 30 days rather than on organizations with structured staff support and set numbers of beds.
- c. ***Supportive Residential Services*** are unstructured services that support individuals in their own housing arrangements. These services normally do not involve overnight care delivered by a program. However, due to the flexible nature of these services, overnight care may be provided on an hourly basis
- ***Supported Living Arrangements*** are residential alternatives that are not included in other types of residential services. These alternatives assist people to locate or maintain residential settings where access to beds is not controlled by a CSB and may provide program staff, follow along, or assistance to these individuals. The focus may be on assisting an individual to maintain an independent residential arrangement. Examples include homemaker services, public-private partnerships, and non-CSB subsidized apartments (e.g., HUD certificates).
 - ***Housing Subsidies*** provide cash payments only, with no services or staff support, to enable consumers to live in housing that would otherwise not be accessible to them. These cash subsidies may be used for rent, utility payments, deposits, furniture, and other similar payments required to initiate or maintain housing arrangements for consumers. This is used only for specific allocations of funds from the Department that are earmarked for housing subsidies. Numbers of consumers and expense information should be included in supportive residential services in performance contracts and reports. Information associated with other housing subsidies should be included in the services of which they are a part.
- d. ***Community-Based Substance Abuse Social Detoxification Services*** use medication under the supervision of medical personnel in non-hospital based program to systematically eliminate or reduce the effects of alcohol or other drugs in the body.